

1 AN ACT relating to student financial aid.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 164.767 is amended to read as follows:

- 4 (1) No loan guarantee shall be approved, nor any loan, grant, scholarship, recognition
5 award, work-study reimbursement, or other form of financial aid shall be disbursed,
6 under programs authorized by KRS 164.740 to 164.790~~[164.785]~~, to any student
7 who is an inmate or who is incarcerated in a penal institution unless funds have first
8 been provided to all other eligible students who have applied in accordance with the
9 administrative regulations of the authority.
- 10 (2) The Department of Corrections and any person or organization responsible for the
11 supervision or operation of a penal institution shall cooperate with the authority and
12 participating institutions in providing information to them to identify applicants
13 who are inmates at or incarcerated in a penal institution.

14 **(3) No person shall be eligible for any program authorized under KRS 164.740 to**
15 **164.790 who:**

16 **(a) Is a violent offender as defined in KRS 439.3401;**

17 **(b) Has been convicted of aggravated trafficking in a controlled substance**
18 **under KRS 218A.142;**

19 **(c) Has been convicted in a second or subsequent offense of trafficking in a**
20 **controlled substance under KRS 218A.1412, 218A.1413, or 218A.1414 or**
21 **trafficking in a misrepresented controlled substance under KRS**
22 **218A.14141; or**

23 **(d) Has been convicted of a criminal offense against a victim who is a minor as**
24 **defined in KRS 17.500.**

25 ➔Section 2. KRS 164.7874 is amended to read as follows:

26 As used in KRS 164.7871 to 164.7885:

- 27 (1) "Academic term" means a semester or other time period specified in an

- 1 administrative regulation promulgated by the authority;
- 2 (2) "Academic year" means a period consisting of at least the minimum school term, as
3 defined in KRS 158.070;
- 4 (3) "ACT score" means the composite score achieved on the American College Test at
5 a national test site on a national test date or the college admissions examination
6 administered statewide under KRS 158.6453(5)(b)5. if the exam is the ACT, or an
7 equivalent score, as determined by the authority, on the SAT administered by the
8 College Board, Inc.;
- 9 (4) "Authority" means the Kentucky Higher Education Assistance Authority;
- 10 (5) "Award period" means the fall and spring consecutive academic terms within one
11 (1) academic year;
- 12 (6) "Council" means the Council on Postsecondary Education created under KRS
13 164.011;
- 14 (7) "Eligible high school student" means any person who:
- 15 (a) Is a citizen, national, or permanent resident of the United States and Kentucky
16 resident;
- 17 (b) Was enrolled after July 1, 1998:
- 18 1. In a Kentucky high school for at least one hundred forty (140) days of
19 the minimum school term unless exempted by the authority's executive
20 director upon documentation of extreme hardship, while meeting the
21 KEES curriculum requirements, and was enrolled in a Kentucky high
22 school at the end of the academic year;
- 23 2. In a Kentucky high school for the fall academic term of the senior year
24 and who:
- 25 a. Was enrolled during the entire academic term;
- 26 b. Completed the high school's graduation requirements during the
27 fall academic term; and

- 1 c. Was not enrolled in a secondary school during any other academic
2 term of that academic year; or
- 3 3. In the Gatton Academy of Mathematics and Science in Kentucky, the
4 Craft Academy for Excellence in Science and Mathematics, or in high
5 school at a model and practice school under KRS 164.380 while meeting
6 the Kentucky educational excellence scholarship curriculum
7 requirements; and
- 8 (c) Has a grade point average of 2.5 or above at the end of any academic year
9 beginning after July 1, 1998, or at the end of the fall academic term for a
10 student eligible under paragraph (b) 2. of this subsection~~;~~ and
- 11 ~~(d) — Is not a convicted felon;~~
- 12 (8) "Eligible postsecondary student" means a citizen, national, or permanent resident of
13 the United States and Kentucky resident, as determined by the participating
14 institution in accordance with criteria established by the council for the purposes of
15 admission and tuition assessment, who:
- 16 (a) Earned a KEES award;
- 17 (b) Has the required postsecondary GPA and credit hours required under KRS
18 164.7881;
- 19 (c) Has remaining semesters of eligibility under KRS 164.7881; and
- 20 (d) Is enrolled in a participating institution as a part-time or full-time student~~;~~
21 and
- 22 ~~(e) — Is not a convicted felon;~~
- 23 (9) "Full-time student" means a student enrolled in a postsecondary program of study
24 that meets the full-time student requirements of the participating institution in
25 which the student is enrolled;
- 26 (10) "Grade point average" or "GPA" means the grade point average earned by an
27 eligible student and reported by the high school or participating institution in which

- 1 the student was enrolled based on a scale of 4.0 or its equivalent if the high school
2 or participating institution that the student attends does not use the 4.0 grade scale;
- 3 (11) "High school" means any Kentucky public high school, the Gatton Academy of
4 Mathematics and Science in Kentucky, the Craft Academy for Excellence in
5 Science and Mathematics, a high school of a model and practice school under KRS
6 164.380, and any private, parochial, or church school located in Kentucky that has
7 been certified by the Kentucky Board of Education as voluntarily complying with
8 curriculum, certification, and textbook standards established by the Kentucky Board
9 of Education under KRS 156.160;
- 10 (12) "KEES" or "Kentucky educational excellence scholarship" means a scholarship
11 provided under KRS 164.7871 to 164.7885;
- 12 (13) "KEES award" means:
- 13 (a) For an eligible high school student, the sum of the KEES base amount for
14 each academic year of high school plus any KEES supplemental amount, as
15 adjusted pursuant to KRS 164.7881; and
- 16 (b) For a student eligible under KRS 164.7879(3)(e), the KEES supplemental
17 amount as adjusted pursuant to KRS 164.7881;
- 18 (14) "KEES award maximum" means the sum of the KEES base amount earned in each
19 academic year of high school plus any KEES supplemental amount earned;
- 20 (15) "KEES base amount" or "base amount" means the amount earned by an eligible
21 high school student based on the student's GPA pursuant to KRS 164.7879;
- 22 (16) "KEES curriculum" means five (5) courses of study, except for students who meet
23 the criteria of subsection (7)(b)2. of this section, in an academic year as determined
24 in accordance with an administrative regulation promulgated by the authority;
- 25 (17) "KEES supplemental amount" means the amount earned by an eligible student
26 based on the student's ACT score pursuant to KRS 164.7879;
- 27 (18) "KEES trust fund" means the Wallace G. Wilkinson Kentucky educational

1 excellence scholarship trust fund;

2 (19) "On track to graduate" means the number of cumulative credit hours earned as
3 compared to the number of hours determined by the postsecondary education
4 institution as necessary to complete a bachelor's degree by the end of eight (8)
5 academic terms or ten (10) academic terms if a student is enrolled in an
6 undergraduate program that requires five (5) years of study;

7 (20) "Participating institution" means an "institution" as defined in KRS 164.001 that is
8 eligible to participate in the federal Pell Grant program, executes a contract with the
9 authority on terms the authority deems necessary or appropriate for the
10 administration of its programs, and:

11 (a) 1. Is publicly operated;

12 2. Is licensed by the Commonwealth of Kentucky and has operated for at
13 least ten (10) years, offers an associate or baccalaureate degree program
14 of study not comprised solely of sectarian instruction, and admits as
15 regular students only high school graduates, recipients of a High School
16 Equivalency Diploma, or students transferring from another accredited
17 degree granting institution; or

18 3. Is designated by the authority as an approved out-of-state institution that
19 offers a degree program in a field of study that is not offered at any
20 institution in the Commonwealth; and

21 (b) Continues to commit financial resources to student financial assistance
22 programs; and

23 (21) "Part-time student" means a student enrolled in a postsecondary program of study
24 who does not meet the full-time student requirements of the participating institution
25 in which the student is enrolled and who is enrolled for at least six (6) credit hours,
26 or the equivalent for an institution that does not use credit hours.

27 ➔Section 3. KRS 164.7884 is amended to read as follows:

1 (1) As used in this section:

2 (a) "Academic year" means July 1 through June 30 of each year;

3 (b) "Apprentice" has the same meaning as in KRS 343.010;

4 (c) "Eligible student" means an eligible high school student who has graduated
5 from high school or a student eligible under KRS 164.7879(3)(e);

6 (d) "Proprietary school" means a school as defined in KRS 165A.310(10)(a) to

7 (d) that:

8 1. Is licensed by the Kentucky Commission on Proprietary Education,
9 the Kentucky Board of Barbering, the Kentucky Board of
10 Cosmetology, the Kentucky Board of Nursing, or the Kentucky Board
11 of Embalmers and Funeral Directors;

12 2. Has operated for at least five (5) years;

13 3. Has its headquarters or main campus physically located in Kentucky;
14 and

15 4. Is not eligible to participate in the federal Pell Grant program;

16 (e) "Qualified proprietary school program" means a program offered by a
17 proprietary school that is in one (1) of Kentucky's top five (5) high-demand
18 work sectors as determined by the Kentucky Workforce Investment Board;

19 ~~(f)(d)~~ "Qualified workforce training program" means a program that is in one
20 (1) of Kentucky's top five (5) high-demand work sectors as determined by the
21 Kentucky Workforce Investment Board;

22 ~~(g)(e)~~ "Registered apprenticeship program" means an apprenticeship program
23 that:

24 1. Is established in accordance with the requirements of KRS Chapter 343;
25 2. Requires a minimum of two thousand (2,000) hours of on-the-job work
26 experience;
27 3. Requires a minimum of one hundred forty-four (144) hours of related

1 instruction for each year of the apprenticeship; and

2 4. Is approved by the Education and Workforce Development Cabinet;

3 ~~(h)~~~~(f)~~ "Related instruction" has the same meaning as in KRS 343.010; and

4 ~~(i)~~~~(g)~~ "Sponsor" has the same meaning as in KRS 343.010.

5 (2) Notwithstanding KRS 164.7881, an eligible student who earned a KEES award
6 shall be eligible for a Kentucky educational excellence scholarship if the student
7 meets the requirements of this section and is:

8 (a) An apprentice in a registered apprenticeship program;~~or~~

9 (b) Enrolled in a qualified workforce training program that has a current
10 articulation agreement for postsecondary credit hours with a participating
11 institution; or

12 (c) Enrolled in a qualified proprietary school program.

13 (3) (a) Beginning with the 2018-2019 academic year, an eligible student enrolled in a
14 registered apprenticeship program or, for the academic year beginning July 1,
15 2020, an eligible student enrolled in a qualified workforce training program
16 or, for the academic year beginning July 1, 2022, an eligible student
17 enrolled in a qualified proprietary school program may receive
18 reimbursement of tuition, books, required tools, and other approved expenses
19 required for participation in the program, upon certification by the sponsor or
20 school and approval by the authority.

21 (b) The reimbursement amount an eligible student may receive in an academic
22 year shall not exceed the student's KEES award maximum.

23 (c) The total reimbursement amount an eligible student may receive under this
24 section shall not exceed the student's KEES award maximum multiplied by
25 four (4).

26 (4) Eligibility for a KEES scholarship under this section shall terminate upon the earlier
27 of:

1 (a) The expiration of five (5) years following the eligible student's graduation
 2 from high school or receiving a High School Equivalency Diploma, except as
 3 provided in KRS 164.7881(5); or

4 (b) The eligible student's successful completion of the registered apprenticeship
 5 program, ~~for~~ qualified workforce training program, or qualified proprietary
 6 school program.

7 (5) The authority shall promulgate administrative regulations establishing the
 8 procedures for making awards under this section in consultation with the Kentucky
 9 Education and Workforce Development Cabinet and the Kentucky Economic
 10 Development Cabinet.

11 ➔Section 4. KRS 164.7879 is amended to read as follows:

12 (1) Kentucky educational excellence scholarship awards shall be based upon an
 13 established base scholarship amount and an eligible high school student's grade
 14 point average. The base scholarship amount for students attaining a grade point
 15 average of at least 2.5 for the 1998-1999 academic year shall be as follows:

16	GPA	Amount	GPA	Amount
17	2.50	\$125.00	3.30	\$325.00
18	2.60	\$150.00	3.40	\$350.00
19	2.70	\$175.00	3.50	\$375.00
20	2.75	\$187.00	3.60	\$400.00
21	2.80	\$200.00	3.70	\$425.00
22	2.90	\$225.00	3.75	\$437.00
23	3.00	\$250.00	3.80	\$450.00
24	3.10	\$275.00	3.90	\$475.00
25	3.20	\$300.00	4.00	\$500.00
26	3.25	\$312.00		

27 The authority shall review the base amount of the Kentucky educational excellence

1 scholarship each academic year and may promulgate an administrative regulation to
2 make adjustments after considering the availability of funds.

3 (2) (a) The authority shall commit to provide to each eligible high school student the
4 base amount of the Kentucky educational excellence scholarship for each
5 academic year of high school study in the Kentucky educational excellence
6 scholarship curriculum that the high school student has attained at least a 2.5
7 grade point average. The award shall be based upon the eligible high school
8 student's grade point average at the close of each academic year. An award
9 attributable to a past academic year shall not be increased after the award has
10 been earned by an eligible high school student, regardless of any subsequent
11 increases made to the base amount of the Kentucky educational excellence
12 scholarship through the promulgation of an administrative regulation by the
13 authority.

14 (b) Notwithstanding the definitions of "eligible high school student" and "high
15 school" in KRS 164.7874, any high school student who maintains Kentucky
16 residency and completes the academic courses that are required for a
17 Kentucky educational excellence scholarship while participating in an
18 approved educational high school foreign exchange program or participating
19 in the United States Congressional Page School may apply his or her grade
20 point average for that academic year toward the base as described in paragraph
21 (a) of this subsection. The grade point average shall be reported by the
22 student's Kentucky home high school, based on an official transcript from the
23 school that the student attended during the out-of-state educational experience.
24 The authority shall promulgate administrative regulations that describe the
25 approval process for the educational exchange programs that qualify under
26 this paragraph. The provisions in this paragraph shall likewise apply to any
27 Kentucky high school student who participated in an approved educational

1 exchange program or in a Congressional Page School since the 1998-99
2 school year and maintained his or her Kentucky residency throughout.

3 (c) 1. Notwithstanding the definitions of "eligible high school student" and
4 "high school" in KRS 164.7874 and the requirement that a student
5 graduate from a Kentucky high school, a high school student who
6 completes the KEES curriculum while attending an accredited out-of-
7 state high school or Department of Defense school may apply the grade
8 point average for any applicable academic year toward the base as
9 described in paragraph (a) of this subsection and shall also qualify for a
10 supplemental award under subsection (3) of this section when:

11 a. His or her custodial parent or guardian is in active service of the
12 Armed Forces of the United States;~~and~~

13 b. ~~The custodial parent or guardian maintained Kentucky as the~~
14 ~~home of record at the time the~~ student attended an accredited out-
15 of-state high school or a Department of Defense school **as a result**
16 **of the custodial parent's or guardian's military transfer outside**
17 **of Kentucky; and**

18 **c. The student earned a KEES base amount at a Kentucky high**
19 **school prior to the custodial parent's or guardian's military**
20 **transfer outside of Kentucky.**

21 2. The student or parent shall arrange for the out-of-state school to report
22 the student's grade point average each academic year and the student's
23 highest ACT score to the authority as required under KRS 164.7885.
24 The authority shall promulgate administrative regulations implementing
25 the requirements in this paragraph, including:

26 a. The documentation that the parent shall submit to the authority
27 establishing the student's eligibility for the scholarship; and

1 b. The assurances that an out- of state institution shall submit to the
2 authority for submission of the student grade point average.

3 3. The provisions in this paragraph shall apply to the 2001-2002 school
4 year and thereafter.

5 (d) Beginning with the 2013-2014 academic year, a student who meets the
6 Kentucky core academic standards for high school graduation established in
7 administrative regulation and graduates after completing three (3) years of
8 high school shall receive a Kentucky educational excellence scholarship
9 award equivalent to completing high school in four (4) years. The award shall
10 be determined by dividing the total actual KEES scholarship earned under
11 subsection (1) of this section by three (3) and multiplying that number by four
12 (4). The resulting number shall be the annual award the student is eligible for
13 under subsection (1) of this section.

14 (3) (a) The authority shall commit to provide to each eligible high school student
15 graduating from high school before June 30, 1999, and achieving a score of at
16 least 15 on the American College Test, a supplemental award for the award
17 period beginning in the fall of 1999, based on the eligible high school
18 student's highest ACT score attained by the date of graduation from high
19 school. The amount of the supplemental award shall be determined as follows:

20	ACT	Annual	ACT	Annual
21	Score	Bonus	Score	Bonus
22	15	\$21	22	\$171
23	16	\$43	23	\$193
24	17	\$64	24	\$214
25	18	\$86	25	\$236
26	19	\$107	26	\$257
27	20	\$129	27	\$279

1 21 \$150 28 or above \$300

2 Subsequent supplemental awards for eligible high school students graduating
3 before June 30, 1999, shall be determined in accordance with the provisions
4 of paragraph (b) of this subsection.

5 (b) The authority shall commit to provide to each eligible high school student
6 upon achievement after June 30, 1999, of an ACT score of at least 15 on the
7 American College Test a supplemental award based on the eligible high
8 school student's highest ACT score attained by the date of graduation from
9 high school. The amount of the supplemental award shall be determined as
10 follows:

11	ACT		ACT	
12	Score	Amount	Score	Amount
13	15	\$36	22	\$286
14	16	\$71	23	\$321
15	17	\$107	24	\$357
16	18	\$143	25	\$393
17	19	\$179	26	\$428
18	20	\$214	27	\$464
19	21	\$250	28 and above	\$500

20 The authority shall review the base amount of the supplemental award
21 beginning with the 2001-2002 academic year and each academic year
22 thereafter and may promulgate an administrative regulation to make
23 adjustments after considering the availability of funds.

24 (c) Beginning with the 2008-2009 academic year, the authority shall commit to
25 provide a supplemental award for achievement on examinations for Advanced
26 Placement or International Baccalaureate as defined in KRS 164.002 to an
27 eligible high school student whose family was eligible for free or reduced-

- 1 price lunch for any year during high school enrollment.
- 2 1. The supplemental award for AP examination scores are as follows:
- 3 a. Two hundred dollars (\$200) for each score of three (3);
- 4 b. Two hundred fifty dollars (\$250) for each score of four (4); and
- 5 c. Three hundred dollars (\$300) for each score of five (5).
- 6 2. The supplemental award for IB examination scores are as follows:
- 7 a. Two hundred dollars (\$200) for each score of five (5);
- 8 b. Two hundred fifty dollars (\$250) for each score of six (6); and
- 9 c. Three hundred dollars (\$300) for each score of seven (7).
- 10 (d) Beginning with the 2013-2014 academic year, the authority shall commit to
- 11 provide a supplemental award for achievement on examinations for
- 12 Cambridge Advanced International as defined in KRS 164.002 to an eligible
- 13 high school student whose family was eligible for free or reduced-priced lunch
- 14 for any year during high school enrollment. The supplemental award for
- 15 Cambridge Advanced International examination scores are as follows:
- 16 1. Two hundred dollars (\$200) for each score of "e";
- 17 2. Two hundred fifty dollars (\$250) for each score of "c" or "d"; and
- 18 3. Three hundred dollars (\$300) for each score of "a*", "a", or "b".
- 19 (e) The authority shall promulgate administrative regulations establishing the
- 20 eligibility criteria and procedures for making a supplemental award to
- 21 Kentucky residents who are citizens, nationals, or permanent residents of the
- 22 United States and who graduate from a nonpublic secondary school not
- 23 certified by the Kentucky Board of Education and Kentucky residents who are
- 24 citizens, nationals, or permanent residents of the United States and who obtain
- 25 a High School Equivalency Diploma within five (5) years of their high school
- 26 graduating class, and students under subsection (2)(c) of this section who do
- 27 not attend an accredited high school.